

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,		: No. 07 Civ. 9235 (CSH)
		:
Plaintiff,		: ECF Case
		:
v.		:
		: REPLY DECLARATION
		: OF KEVIN P. MCKENDRY
		: IN FURTHER SUPPORT OF
LLOYDS TSB BANK PLC,		: DEFENDANT LLOYDS TSB
		: BANK PLC'S MOTION TO
Defendant.		: <u>DISMISS THE COMPLAINT</u>
		:
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Kevin P. McKendry declares under penalty of perjury, pursuant to 28 U.S.C. § 1746, as follows:

1. I am an attorney duly admitted to practice in, and a member in good standing of, the bars of the State of New York and the Commonwealth of Pennsylvania. I am employed by defendant Lloyds TSB Bank plc ("Lloyds TSB") as Chief US Counsel in its branch office at 1251 Avenue of the Americas, New York, New York.

2. This declaration is submitted in further support of Lloyds TSB's motion to dismiss the Complaint in this action (the "Motion"), and in particular to present to the Court certain facts – all of which are matters of public record – that relate to arguments made by the government in its submissions in opposition to the Motion.

3. Attached as Exhibit A to the Declaration of Rua M. Kelly, dated April 23, 2008, in opposition to the Motion (the "Kelly Decl.") is a letter addressed to the Board of Governors of the Federal Reserve System. Contrary to the suggestion in Kelly Decl. ¶ 3, the letter is not from Lloyds TSB, but rather from Lloyds TSB Group plc ("Lloyds Group"), as reflected both on the letterhead and in the body of Exhibit A.

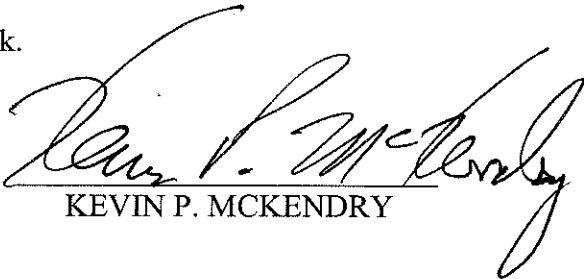
4. Lloyds Group is a company organized and existing under the laws of Scotland. It is a separate company from Lloyds TSB, which is a company organized and existing under the laws of England and Wales. Lloyds Group directly or indirectly owns all the shares of Lloyds TSB.

5. Attached as Exhibit B to the Kelly Decl. is a copy of an order of the Federal Reserve Board ("FRB"), granting the application of Lloyds TSB Offshore Limited ("Lloyds Offshore"), of St. Helier, Jersey to establish a representative office in Miami, Florida under a federal statute, 12 U.S.C. § 3107(a), which requires a foreign bank to obtain the FRB's approval to establish a representative office in the United States.

6. Lloyds Offshore is a company organized and existing under the laws of Jersey, a dependency of the British Crown. It is a separate company from each of Lloyds TSB and Lloyds Group. A wholly owned indirect subsidiary of Lloyds TSB is the sole shareholder of Lloyds Offshore.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 13, 2008 at New York, New York.



KEVIN P. MCKENDRY